

LAST MINUTE MEMORANDUM

DATE: May 10, 2004
TO: MEMBERS, STATE BOARD OF EDUCATION
FROM: Geno Flores, Deputy Superintendent
Assessment and Accountability Branch
RE: Item No. 11
SUBJECT: General Educational Development (GED): Adopt Amendments to Title 5 Regulations

At its March 2004 meeting, the State Board of Education (SBE) approved commencement of the rulemaking process for adopting proposed Title 5 Regulations for the General Educational Development (GED) Program. The public comment notice was published on March 10, 2004 and a public hearing was held on May 10, 2004.

Consistent with the requirements of the Administrative Procedure Act, the public hearing regarding the proposed amendments was scheduled for Monday, May 10, at the California Department of Education (CDE), 1430 N Street, Room 1101, Sacramento, California, beginning at 9 a.m. An audiotape of the public hearing was made, and a copy is available for review.

The public hearing was called to order at 9 a.m. and was adjourned at 9:32 a.m.

There were two speakers at the public hearing and no written comments were received during the public comment period that ended at 5:00 p.m. on Monday, May 10, 2004. The comments have been summarized and responses provided to the SBE in Attachment 5.

The recommendation is that the SBE adopt the regulations with no changes.

Attachments:

[Attachment 5:](#) Final Statement of Reasons
(including summary and responses to Public Hearing Comment Period)
(2 Pages)

[Attachment 6:](#) Table 1: Estimated GED Program Cost Increase (1 Page)

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

SECTION 11530(E)

The proposed regulations state that the fee charged for each application for an equivalency certificate shall be increased from \$12 to \$20. The fee shall be charged only once for a given series of the GED test. Two comments were received asking that the fee not be increased.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE PUBLIC HEARING COMMENT PERIOD OF MARCH 26, 2004 THROUGH MAY 10, 2004, AND THE PUBLIC HEARING, MAY 10, 2004.

Comments:

Clement Anaibe, Chief Examiner, Los Angeles Unified School District, presented the following comment at the Public Hearing on May 10, 2004: Those who take the GED have a low economic background; they are poor and have disproportionate high crime rates and illiteracy. They and their families do not have B.A. degrees. To most of them, the GED is the only way out. Increasing the fee charged to the examinees by 67% could have a negative impact. I propose that the increase be done incrementally, at two dollars per year for four years. In this manner, the increase would not decline the number of examinees.

Vanessa Adolphson, Chief Examiner, Winterstein Adult School, San Juan Unified School District, Sacramento presented the following comment at the Public Hearing on May 10, 2004: The proposed increase of the fee charged to examinees will have an adverse effect on those attempting to get their GED certificate and on the ability of programs such as the Winterstein Adult School to continue to provide the GED exam. I am aware that other GED test centers in this area are shutting down. I agree with Mr. Anaibe's suggestion that the fee be increased more slowly.

Response:

The fee paid by examinees and forwarded to the CDE is the only source of income for the CDE GED Office. This fee, received by CDE for each new examinee, is a part of the total fee charged by local GED test centers. The fee was established in 1974 and mandated in 1990 at a rate of \$8. It was amended in 1996 to a rate of \$12. Now, eight years later, the fee would be increased to \$20.

Local GED test centers charge each new examinee a fee between \$50 and \$120. The increase of the fee received by CDE from \$12 to \$20 is actually equivalent to an increase of between 7% and 16%. It is possible that the \$8 increase will not in all cases be passed on to the test-takers.

This fee is a one-time fee charged to examinees when they register for the GED tests. The CDE has no other source of income for the GED program. If the fee were increased by \$2 each year, the funds would not increase enough to cover the expenses. Even with the proposed increase, which is the maximum permitted by statute; it is anticipated that expenses will exceed income (\$875,000 vs. \$800,000). (See attachments 4, 6).

ALTERNATIVES DETERMINATION

The State Board of Education has determined that no alternative would be effective in carrying out the purpose for which the regulation is proposed.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.

REGULATIONS TO BECOME EFFECTIVE UPON FILING

Education Code Section 51421(a) allows that the fee may not exceed twenty dollars (\$20) per person. Examinee fees are paid by local testing centers based on the number of first-time registrations. These fees are the sole source of funding for the State's GED Program. No Federal or State general funds are provided. Expenses for the GED Office have increased. In order to arrange local GED test centers to charge the new fee effective the beginning of the new fiscal year, the proposed regulations need to become effective upon filing.

Table 1: Estimated GED Program Cost Increase

| | 1995-96 (Actual) | 2001-02 (Actual) | 2003-04* (Estimated) | Change 1995-6 to 2003-04 |
|--------------------------------|-----------------------------|-----------------------------|---------------------------------|---|
| Fixed Cost | | | | |
| Personal Services | \$189,391.67 | \$260,011.20 | \$370,411.65 | |
| Communications | \$14,207.85 | \$5,760.79 | \$5,991.22 | |
| Facilities Operation | \$18,345.59 | \$29,355.84 | \$30,530.07 | |
| Indirect - General Management | \$51,733.28 | \$86,468.64 | \$89,927.39 | |
| Total for Fixed Cost | \$273,678.39 | \$381,596.47 | \$496,860.33 | 81.5% |
| Variable Cost | | | | |
| Civil Service - Temporary Help | \$11,688.09 | \$42,852.88 | \$44,567.00 | |
| Overtime | \$6,534.61 | \$1,367.58 | \$1,422.28 | |
| General Expense | \$25,370.83 | \$69,462.42 | \$72,240.92 | |
| Printing | \$9,698.81 | \$23,717.61 | \$24,666.31 | |
| Cellular Phone | | \$539.88 | \$561.48 | |
| Postage | \$42,948.70 | \$70,002.78 | \$72,802.89 | |
| Travel: In State | \$5,524.65 | \$11,965.23 | \$12,443.84 | |
| Travel: Out of State | \$2,278.96 | \$1,067.36 | \$1,110.05 | |
| Training | | \$3,369.20 | \$3,503.97 | |
| C&P Services-Interdepartmental | | \$9,964.10 | \$10,362.66 | |
| C&P Services -External | \$2,494.46 | \$2,128.24 | \$2,213.37 | |
| Duplicating | \$4,288.15 | \$3,728.07 | \$3,877.19 | |
| Publication Distribution | \$159.95 | \$94.01 | \$97.77 | |
| Publication Services | \$1,146.75 | \$6,490.05 | \$6,749.65 | |
| EDP Services | \$107,165.00 | \$996.50 | \$1,036.36 | |
| Office Supplies | \$905.90 | \$1,176.39 | \$1,223.45 | |
| Data Processing | \$2,030.02 | \$20,539.63 | \$120,539.63 | |
| Other | | \$14.95 | \$15.55 | |
| Total for Variable Cost | \$222,234.88 | \$269,476.88 | \$379,434.37 | 70.7% |
| Total | \$495,913.27 | \$651,073.35 | \$876,294.70 | 76.7% |

*Expenses for 2003-04 are estimated as increasing four percent from 2001-02, plus additional staffing (1 Education Programs Consultant) and \$100,000 for programming and data processing services need to support the data system.